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Before the
FEDERAL COMMUNICATIONS COMMISSION JAN 23 1995
Washington, D.C. 20554

FEDERAL TELECOMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:

Implementation of Section 309(j)
of the Communications Act -
Competitive Bidding
Narrowband PCS

PP Docket No. 93-253

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and

Amendment of the Commission's
Rules to Establish New Narrowband
Personal Communication Services

GEN Docket No. 90-314
ET Docket No. 92-100

**FURTHER REPLY COMMENTS OF
MOBILE TELECOMMUNICATION TECHNOLOGIES CORP.**

On January 13, 1995, Mobile Telecommunication Technologies Corp. ("Mtel"), by its attorneys and pursuant to the Commission's Public Notice of December 21, 1994,^{1/} submitted Further Comments in the captioned proceeding.^{2/} By those Further Comments Mtel pointed out how successful the Commission's recent narrowband regional auction was, and how such results served to support the Mtel opposition previously voiced against adoption of proposals to reallocate narrowband spectrum and thereby increase the geographic market size. Mtel also renewed its urging that the Commission

^{1/} Public Notice entitled "Additional Comments Sought on the Commission's Narrowband PCS Entrepreneurial's Block Proposals" DA 94-1560, released December 21, 1994.

^{2/} Third Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, in PP Docket No. 93-253, Gen. Docket No. 90-314, and ET Docket No. 92-100, 59 Fed. Reg. 440558 (August 26, 1994). In the Further Notice, Mtel comments were filed by September 16, 1994, and reply comments were filed by October 3, 1994.

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should not reallocate additional spectrum on that basis at this time.

Mtel's review of the Commission's records reflects that a total of eight parties filed further comments on January 13. Three of those parties addressed matters unrelated to the issue of reallocation of spectrum already allocated for narrowband PCS. The remaining five unanimously voiced opposition to any proposed reallocation for Designated Entities ("DEs") at this time. See, for example, Comments of PCS Development Group ("PCSD"), at 2, where it was noted that spectrum reallocation to create more wide-area markets would be fundamentally unfair to successful bidders that designed bidding strategies consistent with the supply of spectrum currently allocated; Supplemental Comments of Personal Communications Industry Association ("PCIA"), at 4; Comments in Response to Third Memorandum Opinion and Order and Further Notice of Proposed Rule Making submitted by the United States Interactive and Microwave Television Association and the United States Independent Personal Communication Association ("USIMTA/USIPCA"), at 6; Comments of American Paging, Inc., at 2-3; Additional Comments of PageMart, Inc., at 5.

Significantly, many of those commenting parties who joined Mtel in opposing reallocation at this time supported their position with arguments previously presented by Mtel. For example, PCIA acknowledged the success of the Commission's DE policies in the narrowband regional auctions. Supplemental Comments, at 4.

USIMTA/USIPCA pointed out that larger geographic license allocations will undoubtedly be more expensive and therefore unavailable to small businesses that would quickly be outbid for licensees for such larger areas, and that the greater number of available licenses under the Commission's current format creates greater opportunity for small businesses and other DEs to participate in spectrum-based service. Comments, at 6. PCSD also explained that redesignating BTA-based narrowband PCS channels for licensing on a wide-area basis would preclude significant numbers of local paging companies and other small entities from participating in the provision of PCS due to, among other things, their limitations in their being able to obtain access to capital. PCSD Comments, at 5.

For all the foregoing reasons, Mtel submits that there is near unanimity of position within the industry that there is no need to further modify carefully crafted Commission allocation and auctioning strategies that have been wholly successful in licensing spectrums to diverse groups and raising billions of dollars for the federal government. There is also a consensus among commenters that it would be inequitable to increase the supply of narrowband PCS spectrum allocated on a wide-area basis only after successful

bidders have committed to paying the federal government over \$1 billion based upon existing allocations.

Respectfully submitted,

MOBILE TELECOMMUNICATION
TECHNOLOGIES CORP.

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